



# State of Louisiana

## Department of Environmental Quality



September 5, 2002

M.J. "Mike" Foster  
Governor

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J. Dale Givens  
Secretary

## **DEQ ANNOUNCES PROPOSED SETTLEMENTS IN EXCESS OF \$18.5 MILLION**

(Baton Rouge) – The proposal of three back-to-back settlements valued at over \$18.5 million were announced today by the Louisiana Department of Environmental Quality (DEQ). The proposed settlements were reached with Allen Canning Company, Orion Refining Corporation and Safety-Kleen Services to settle issues of non-compliance. The approval of the settlements will allow DEQ to collect a cash penalty payment of \$1,085,000 and will require the companies to perform \$17,596,000 worth of projects to benefit the environment.

The proposed settlement with Allen Canning Company, located in Avoyelles Parish, calls for a \$25,000 cash penalty payment to the state and \$396,000 worth of projects, known as BEPs, or Beneficial Environmental Projects. There are a total of four proposed BEPs that the Company will be required to perform, two of which will directly affect air quality issues. These include the installation of a dissolved air unit for the boiler system and the addition of aeration to increase odor control of the treatment ponds that receive wastewater during plant operations. These projects are expected to minimize off-site odor problems that occur during the processing of Allen Canning Company's sweet potato crops and which have been the source of complaints received by DEQ from local residents. Allen Canning Company and DEQ reached the proposed settlement following lengthy discussions regarding a number of alleged violations of Allen Canning Company's water permits that, in addition to the odors, also resulted in two fish-kills.

The settlement with Orion Refining Corporation located in St. Charles Parish is for allegations of non-compliance concerning air quality, water quality, hazardous waste and solid waste provisions of the Louisiana Environmental Quality Act. The proposed settlement will result in a cash penalty payment of \$1,000,000 to DEQ, the largest ever collected by the state based on allegations of environmental violations brought forth solely by the state. As part of the settlement, Orion will be required to install and use new pollution control procedures and equipment estimated at \$15,000,000 at its St. Charles refinery. The additional equipment and use of new emission control measures are expected to reduce 2,500 tons per year of nitrogen oxides. Nitrogen oxides, also known as NOx, are precursors to ozone formation. The Corporation has also agreed to perform two BEPs valued at \$1,000,000 each.



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The first BEP entails a series of community-wide projects which include ambient air monitoring, an early alert system to better alert the community of any reportable releases, an enlargement and beautification of the buffer zone between the Refinery and the east fence line community and a cooperative arrangement with St. Charles Parish for quality of life projects. The second BEP requires Orion to evaluate and make improvements to its oil-water separators to reduce oil concentrations at the wastewater treatment unit.

The settlement agreement between DEQ and Safety-Kleen Services includes their facilities in East Baton Rouge, Acadia and Iberville Parishes and it concerns non-compliance for lack of financial assurance for hazardous waste facilities and for problems pertaining to odors emanating from the Company's non-hazardous landfarm in White Castle. In the settlement, Safety-Kleen agreed to a \$60,000 cash penalty payment to DEQ. In addition, Safety-Kleen agreed to finance \$200,000 worth of DEQ operations related to the collection and transportation of illegally discarded road-side waste and grants DEQ use of its disposal facilities to deposit the waste free of charge. The settlement agreement also requires a management plan for the land-farm at White Castle to address odor concerns that have been the source of several citizen complaints.

A Beneficial Environmental Project is a project that provides for environmental mitigation, which the respondent is not otherwise legally required to perform, but which the respondent agrees to undertake as a component of a settlement of a violation or penalty assessment. The Beneficial Environmental Projects regulations (LAC33:I Chapter 25) were promulgated in August 2000. Cash penalty payments collected as a result of settlements go into DEQ's Hazardous Waste Clean-Up Fund.

Hall Bohlinger, Secretary of DEQ expressed great satisfaction with the negotiated settlements. "DEQ staff worked diligently to reach these settlements. The wide range of Beneficial Environmental Projects found in these settlements are an example of the avenues by which DEQ seeks to significantly control environmental pollution while at the same time benefiting communities."

Today's announcement comes on the heels of a similar settlement reached with Georgia Gulf Corporation late last month. The approval of that proposed settlement will result in a cash penalty payment of \$400,000 to the state and in Beneficial Environmental Projects valued at \$975,000. All announcements now enter the public comment phase and are posted in the DEQ web page <http://www.deq.state.la.us>.

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